

Ending Rent Control Reduced Crime in Cambridge

STUDY
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Source: Autor, David H., Christopher J. Palmer, & Parag A. Pathak (2019) AEA Papers & Proceedings

LINK TO STUDY

Policy Implications

Reevaluation of Rent Control Policies:

- The findings suggest that rent control may have unintended consequences, such as higher crime rates, which can negatively affect community well-being and property values.
- Policymakers should consider these potential adverse effects when designing or maintaining rent control regulations.

Comprehensive Urban Policy Approach:

- The study highlights the importance of a holistic approach to urban policy that balances housing affordability with other factors influencing residents' quality of life, including safety and property values.

Relevance to Legislators

This research provides empirical evidence that the elimination of rent control can lead to significant social benefits, such as reduced crime rates and increased property values. Legislators should weigh the potential trade-offs associated with rent control policies, considering both their intended goals and possible unintended consequences on community safety and economic health.

Study Overview

In their 2019 paper published in AEA Papers and Proceedings, David H. Autor, Christopher J. Palmer, and Parag A. Pathak analyze the impact of the sudden elimination of rent control in Cambridge, Massachusetts, in 1995. The study utilizes detailed, location-specific criminal incident data to assess changes in crime rates following the policy change.

Key Findings

1. Significant Reduction in Crime Rates:

- The removal of rent control led to a **16% decrease in overall crime**, equating to approximately **1,200 fewer crimes** annually in Cambridge.

2. Economic Benefits:

- The reduction in crime provided an estimated annual direct benefit of **\$10 million** (in 2008 dollars) to Cambridge residents.
- This benefit accounts for about 10% of the growth in residential property values attributed to the end of rent control.

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